

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine the  
Commission's Future Energy Efficiency Policies,  
Administration, and Programs.

Rulemaking 01-08-028  
(Filed August 23, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SOLICITING PRE-WORKSHOP COMMENTS ON  
DRAFT POLICY RULES FOR POST-2005  
ENERGY EFFICIENCY PROGRAMS**

On December 17, 2004, Assigned Commissioner Susan Kennedy issued a ruling that describes the process for developing energy efficiency policy rules for post-2005 programs (Rules).<sup>1</sup> She outlined the process as follows:

"Judge Gottstein will issue a ruling describing the general areas of policy rules to be included in the updated Rules document, along with specific language on some or all of the proposed Rules for discussion purposes. She may also solicit pre-workshop written comments, as she deems appropriate. Judge Gottstein will hold a two-day workshop on February 15 and 16, 2005 to provide interested parties the opportunity to discuss the scope and content of the Rules document, including appropriate terms and definitions. Judge Gottstein may schedule additional workshops, if needed. Taking into consideration the workshop discussion, she will serve a second draft of the revised Rules and related terms/definitions to all parties for comment. Based on those comments, the Commission, myself, Judge Gottstein or Energy Division shall update the Policy

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<sup>1</sup> A copy of that ruling can be found at:  
<http://www.cpuc.ca.gov/PUBLISHED/RULINGS/42352.htm>.

Manual and reference documents, as provided for by the Commission. [footnote omitted.] My goal is to issue the updated Rules no later than April 30, 2005.”<sup>2</sup>

As directed by Commissioner Kennedy, and with input from Energy Division and California Energy Commission (CEC) staff (“Staff”), I have prepared a draft of updated policy rules to be discussed at the February 15 and 16 workshop. The draft rules are presented in Attachment 1.

Consistent with Commissioner Kennedy’s ruling, the draft rules have been crafted to reflect (1) the Commission’s resource procurement goals, as articulated in recent Commission decisions and (2) the administrative structure that Assigned Commissioner Susan Kennedy and CEC Commissioner Art Rosenfeld have recommended to the Commission in the draft decision issued on November 29, 2004.

As Commissioner Kennedy points out in her ruling, the current Energy Efficiency Policy Manual was intended to provide somewhat detailed guidance to implementers submitting proposals to Energy Division, and to Energy Division for reviewing those proposals. In contrast, our pre-1998 policy rules provided broader guidance to program administrators (the utilities) and were augmented with reference documents, such as adopted evaluation, measurement and verification (EM&V) protocols.<sup>3</sup> I have modeled the updated policy rules

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<sup>2</sup> *Assigned Commissioner’s Ruling and Notice of Workshops to Update Policy Rules and Related Terms and Definitions for Energy Efficiency Programs.*

<sup>3</sup> The pre-1998 Demand-Side Management Policy Rules can be viewed at: <http://www.cpuc.ca.gov/PUBLISHED/REPORT/42566.PDF>; The current Energy Efficiency Policy Manual can be viewed at: <http://www.cpuc.ca.gov/static/industry/electric/energy+efficiency/rulemaking/resource4.pdf>

after the pre-1998 rules format by focusing on overall objectives, general guidance for portfolio composition, and clarifying cost-effectiveness expectations. Workshop participants should be prepared to comment on the scope and substance of the draft rules, as well as what reference documents and updated common terms and definitions should be used for post-2005 programs. In particular, I believe that the terms and definitions for post-2005 program activities should be revised to better facilitate the identification of energy efficiency activities by end-use savings potential, the evaluation of those activities based on adopted protocols and the coordination of program development and evaluation with resource planning and procurement needs. (See draft Rule III.2.) Accordingly, I encourage respondents and other interested parties to work with Staff on a lexicon of terms and definitions that will serve this purpose.

Pre-workshop comments are due by February 1, 2005. The comments should discuss the rationale for proposed changes, deletions or additions to the draft rules, and clearly track or mark any specific language modifications onto Attachment 1 so the reader can easily identify the proposed changes. Parties working with Staff to develop common terms and definitions should so indicate in their comments, and Staff should serve a proposal for common terms and definitions for workshop discussion by February 7, 2005.

As noticed in the December 17, 2004 ruling, the two-day workshop on February 15 and 16, 2005 will be held in the Commission's Training Room at 505 Van Ness Avenue, San Francisco, from 9:30 a.m. until 5:00 p.m. each day, with a mid-day lunch break. I will be the workshop facilitator, with assistance from Staff. During the first day of the workshop, we will discuss the draft policy rules presented in Attachment 1, section-by-section. This discussion will

continue into the morning of the second day, as needed. We will use part or all of the second day to address reference documents and common terms and definitions.

**IT IS RULED** that:

1. Respondents and interested parties may file and serve pre-workshop comments on the draft energy efficiency policy rules presented in Attachment 1. Those comments are due by February 1, 2005.

2. As discussed in this ruling, Staff shall prepare a draft of common energy efficiency terms and definitions, with input from the respondents and other interested parties, and serve that draft to the service list in this proceeding by February 7, 2005.

3. The Electronic Service Protocols attached to the Assigned Commissioner's Ruling dated December 22, 2003, which can be viewed at the Commission's website ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) apply to the documents required by this ruling.

Dated December 30, 2004, at San Francisco, California.

/s/ MEG GOTTSTEIN by LTC  
Meg Gottstein  
Administrative Law Judge

## **ATTACHMENT 1**

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## **DRAFT ENERGY EFFICIENCY POLICY RULES, TERMS AND DEFINITIONS FOR POST-2005 PROGRAMS**

### **I. Introduction**

This document contains the California Public Utilities Commission's (Commission) policy rules for the development and evaluation of energy efficiency programs funded by ratepayers in California. Referred to as the Energy Efficiency Policy Rules (Rules), this document shall apply to all energy efficiency activities for program year (PY) 2006 and beyond. The policy rules, terms and definitions contained herein apply to energy efficiency activities funded through the following mechanisms:

- The electric public goods charge (PGC), as authorized by Public Utilities (PU) Code Sections 381 and 399<sup>1</sup>
- The gas PGC, as authorized by PU Code Sections 890-900.
- Procurement rates, as authorized by the Commission.

The rules in this manual do **not** currently apply to:

- Low-income energy efficiency programs (LIEE) funded by the electric or gas PGC
- California Alternative Rates for Energy (CARE) for low-income customers funded out of electric or gas PGC<sup>2</sup>
- Interruptible rate or load management programs<sup>3</sup>

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<sup>1</sup> Consistent with the provisions of AB117 (Chapter 838, Chaptered September 24, 2002), Section 381.1 was added to Public Utilities Code permitting community choice aggregators (CCAs) to apply to administer cost-effective energy efficiency and conservation programs. The Commission adopted certain procedures in Decision (D.) 03-07-034 (dated July 10, 2003) to implement portions of AB 117 affecting the allocation of energy efficiency program funds.

<sup>2</sup> A separate low-income rulemaking was initiated on August 23, 2001 (R.01-08-027).

<sup>3</sup> Interruptible and load management programs are primarily being addressed in Rulemaking (R.) 00-10-002.

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- Self-generation and demand-responsiveness programs developed in response to AB970 (PU Code Section 399.15(b)).<sup>4</sup>

This manual contains the most recent adopted Commission policy rules, terms and definitions relating to energy efficiency as of this writing, and supercedes all previous versions of the Energy Efficiency Policy Manual.

***Note: The term “Program Administrators” in these draft Rules refers to the investor-owned utilities (IOUs), consistent with the administrative structure proposed in the draft decision pending before the Commission. We also utilize the term “Implementers” as defined in that draft decision.***

## II. Energy Efficiency Policy Objectives and Program Funding Guidelines

1. The Commission’s overriding goal guiding its energy efficiency efforts is to pursue all cost-effective energy efficiency opportunities over both the short- and long-term. By D.04-09-060, the Commission translated this policy into specific annual and cumulative numerical goals for electricity and natural gas savings by utility service territory, which shall be updated periodically by the Commission. Program Administrators should develop their energy efficiency program portfolios so that they will meet or exceed these savings goals.<sup>5</sup>

2. Energy efficiency activities funded by ratepayers should focus on programs that serve as alternatives to supply-side resource options (“resource programs”), in order to promote the resource procurement policies articulated in the Energy Action Plan and by this Commission. Focusing energy efficiency efforts in this way is the most equitable way to distribute program benefits: By keeping energy resource procurement costs as low as possible through the deployment of cost-effective resource programs, *all* customers will share in the resource savings from energy efficiency.

3. “Lost opportunities” are those energy efficiency options which offer long-lived, cost-effective savings and which, if not exploited promptly or simultaneously with other low cost measures, are lost irretrievably or rendered much more costly to

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<sup>4</sup> These programs were adopted in D.01-03-073, in R.98-07-037.

<sup>5</sup> While the energy savings achieved by LIEE programs will count towards the Commission’s savings goals, per D.04-09-050, the Commission considers factors other than cost-effectiveness in determining LIEE program design and funding levels.

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achieve. “Cream skimming” results in the pursuit of only the lowest cost conservation and load management measures, leaving behind other cost-effective opportunities. Cream skimming becomes a problem when lost opportunities are created in the process.

4. In addition to other information that may be requested by the Commission, Assigned Commissioner or Administrative Law Judge, Program Administrators should submit a detailed account of strategies designed to capture lost opportunities that could arise during the delivery of their programs. Program Administrators should submit this information with their applications for proposed energy efficiency program plans and funding levels to meet the savings goals adopted by the Commission.<sup>6</sup>

5. Program administrators should pursue the most cost-effective energy efficiency resource programs first, if doing so does not create lost opportunities. This pursuit will generally dictate the appropriate balance for portfolio funding among market sectors (e.g., residential, industrial, commercial). Program Administrators should also include a selection of statewide marketing and outreach programs, upstream market transformation programs and other activities in their proposed portfolios designed to support the Commission’s short-term and long-term savings goals.

6. In recent years, the share of energy savings from emerging technologies for the entire portfolio of ratepayer-funded energy efficiency programs has fallen to the current level of 1%, as the focus and program funding has turned to capturing electric savings from technologies already in the marketplace. However, the deployment of new and improved energy efficiency products and applications can help sustain or increase current savings yields from program dollars, and serves to create a new generation of technologies available to tap the cost-effective potential of energy efficiency in ways we cannot predict today. The IOUs’ emerging technologies programs are currently funded at a level of approximately \$4 to \$5 million per year. Increased levels of funding for these activities is prudent because there are a large number of potentially beneficial innovations developed at the California Energy Commission’s Public Interest Energy Research (PIER) program that will not receive funding for pre-commercial demonstration, based on current funding levels.

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<sup>6</sup> See, for example, Ordering Paragraph 4 of D.04-09-060 for other information required in those applications. **Question for Workshop Participants: Are the “lost opportunities” reporting requirements appended to the pre-1998 DSM rules still relevant in some modified form? What do we currently require in terms of reporting on lost opportunities?**

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7. In order to provide higher levels of bridging between available upstream innovations and the marketplace, annual funding for emerging technologies programs should increase to \$25 million by 2007. In their program year (PY) 2006-2008 funding applications, Program Administrators shall jointly propose emerging technologies programs at this level of funding.<sup>7</sup> The main purpose of these programs should be to increase the probability that promising technologies will be commercialized within 6 years of program funding and thereby increase the chance of obtaining additional energy savings from these technologies in the long run. Program strategies should focus on reducing both the performance uncertainties associated with new products and applications and the institutional barriers to introducing them into the market.

8. Per D.(number to be inserted when Administrative Structure decision is finalized), Program Administrators with input from the public, Program Advisory Groups and Program Review Groups will develop for Commission consideration their portfolios of energy efficiency programs utilizing selection criteria that are consistent with these Rules. All program implementers—IOW and non-IOW alike—need to be selected and evaluated based on their ability to best meet the policy objectives articulated in these Rules.

### **III. Common Terms and Definitions**

1. To ensure optimal funding of energy efficiency activities requires consistent treatment of programs across utility service territories and across regulatory forums. Common terms and program definitions help ensure consistent treatment.

2. Program definitions should be designed to facilitate to the extent possible: (1) the identification of energy efficiency activities by end-use savings potential, (2) the evaluation, measurement and verification (EM&V) of those activities based on Commission-adopted EM&V protocols, and (3) the coordination of program development and evaluation with resource planning and procurement needs. To this end, Program Administrators and Implementers should use the definitions included in Appendix B to these Rules when characterizing any proposed program activity. The burden is on them to justify any departure from those terms and definitions.

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<sup>7</sup> The new California Clean Energy Fund, which Pacific Gas and Electric Company (PG&E) is forming in compliance with D.03-12-035, should be included in this minimum funding requirement.



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#### **IV. Cost-Effectiveness**

1. The cost-effectiveness indicators referred to in these rules are described in the California Standard Practices Manual (SPM): Economic Analysis of Demand-Side Management Programs. Program Administrators and Implementers should perform cost-effectiveness analyses consistent with the indicators and methodologies included in the SPM, unless otherwise indicated.<sup>8</sup>

2. This Commission relies on the Total Resource Cost Test (TRC) as the primary indicator of energy efficiency program cost effectiveness, consistent with our view that ratepayer-funded energy efficiency should focus on programs that serve as resource alternatives to supply-side options. The TRC test measures the net resource benefits from the perspective of all ratepayers by combining the net benefits of the program to participants and non-participants. The benefits are the avoided costs of the supply-side resources avoided or deferred. The TRC costs encompass both the participating customer's out-of-pocket expenditures for the measures/equipment installed and the costs incurred by the program administrator, including any financial incentives paid to those participating customers.

3. Under the TRC test, financial incentives or rebates to participants cancel out in the calculation of the net benefits. Because we are also concerned over excessive rebates to participants and the impact that would have on revenue requirements, we will require that energy efficiency activities also pass the Program Administrator Cost (PAC) test of cost-effectiveness. Under the PAC test, the program benefits are the same as the TRC test, but costs are defined more narrowly to just include the costs incurred by the program administrator, and not the participating customer. Applying both the TRC and PAC tests of cost-effectiveness is called the "Dual-Test". In almost all instances, an energy efficiency program or program component that passes the TRC test will also pass the PAC test. However, if deployment of the program requires rebates or financial incentives to participants that exceed the measure cost, then the program may pass the TRC test, but fail the PAC test. Considering the results of both tests when evaluating program proposals ensures that program administrators and implementers do not spend more on financial incentives or rebates to participating customers than is necessary to achieve TRC net benefits.

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<sup>8</sup> See Appendix A of this manual for information on how to obtain a copy of the SPM.

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4. Both the TRC and PAC tests should utilize the avoided cost methodologies and input assumptions, including non-price factors (e.g., for avoiding greenhouse gas and non-greenhouse gas pollutants) that are developed for the evaluation of energy efficiency programs in our avoided cost rulemaking, R.04-04-025.<sup>9</sup>

5. A prospective showing of cost-effectiveness using the Dual-Test for the entire portfolio of ratepayer-funded energy efficiency activities and programs (i.e., individual programs, plus all costs not assignable to individual programs, such as overhead, planning, evaluation, measurement verification and administrator compensation and performance, if applicable) is a threshold condition for eligibility for ratepayer funds. This threshold requirement applies to (1) the entire statewide portfolio of programs and (2) the service-territory wide program portfolios offered by each Program Administrator, excluding emerging technologies programs. Program administrators must demonstrate that this threshold requirement is met on a prospective basis in their program funding applications to the Commission. Program Administrators must also demonstrate that the proposed level of electric and natural gas energy efficiency program activities are expected to meet or exceed the Commission-adopted electric and natural gas savings goals, by service territory.<sup>10</sup>

6. As described in these Rules, fuel-substitution programs must also pass the Dual-Test to be considered for inclusion in the portfolio and eligible for funding. Other programs are not strictly required to pass the Dual test on a program, program component or element level to be considered for funding, but their cost-effectiveness must be carefully considered in order to design an overall portfolio that passes the

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<sup>9</sup> In this respect, the TRC and PAC indicators of cost-effectiveness differ from those presented in the SPM, where only the TRC-Societal version includes non-price adders. However, we prefer this limited variation of the TRC to the “Societal Test” variant described in the SPM, for two reasons. First, the Societal Test treats certain cost components as transfers (e.g., tax payments and interest payments), and we prefer to treat those components as explicit resource costs as we do in evaluating supply-side options. Moreover, the Societal Test involves utilizing a “societal” discount rate that would be difficult to quantify and make comparisons with alternative investments hard to make. For these reasons, we do not adopt the societal variant of the TRC test except by valuing non-price factors in the avoided costs. We note that this is consistent with approach currently used by the Commission and Energy Division staff in evaluating the cost-effectiveness of energy efficiency program proposals, as well as with the TRC test of cost-effectiveness adopted by the Commission in earlier demand-side management policy rules.

<sup>10</sup> Per D.04-09-060, savings from LIEE programs will also count towards these goals.

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Dual-Test, per Rule 5 Accordingly, except where otherwise indicated in these Rules, Program Administrators must present estimates of TRC and PAC net benefits for each program, program component and element on a prospective basis in their program funding applications, along with any other information that may be requested by the Commission, Assigned Commissioner, Administrative Law Judge or Energy Division.<sup>11</sup>

7. Cost-effectiveness tests and program analysis should be conducted at the end use level, as defined for each program by the protocols governing the measurement and evaluation of energy efficiency programs, as well as the level of the program as a whole. The “program as a whole” includes any miscellaneous measures for which an end use is not designated for measurement. If the adopted measurement protocols do not specify or require measurement at the end use level, cost-effectiveness analysis should be applied at the level of the program as a whole. **(Note to workshop participants: This language was in the pre-1998 Rules. Is it still relevant? Is further clarification/definition needed on the “level” for conducting cost-effectiveness tests/analysis in proposed program plans?)**

8. The usefulness of the TRC test as a primary indicator of cost-effectiveness is limited for certain programs which do not necessarily focus on the timing or type of resource needs of the utility, such as programs designed to demonstrate or commercialize promising emerging energy efficiency technologies. For statewide marketing and outreach programs and information-only programs, the link between programs and savings is difficult to discern. Therefore, the Commission and Program Administrators will need to consider factors other than or in addition to the TRC and PAC Tests of cost-effectiveness when evaluating such program proposals.

9. Fuel substitution programs may offer resource value and environmental benefits. Fuel-substitution programs should reduce the need for supply without degrading environmental quality. Fuel-substitution programs, whether applied to retrofit or new construction applications, must pass the following three-prong test to be considered further for funding:

1. The program must not increase source-BTU consumption.  
Proponents of fuel substitution programs should calculate the source-BTU impacts using the current CEC-established heat rate.

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<sup>11</sup> See, for example, Ordering Paragraph 4, D.04-09-060.

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2. The program must have TRC and PAC benefit-cost ratio of 1.0 or greater. The TRC and PAC tests used for this purpose should be developed in a manner consistent with these Rules.
3. The program must not adversely impact the environment. To quantify this impact, respondents should compare the environmental costs with and without the program using the most recently adopted values for residual emissions in the avoided cost rulemaking, R.04-04-025. Parties may include environmental impacts beyond the Commission-adopted residual emission factors. The burden of proof lies with the sponsoring party to show that the material environmental impacts have been adequately considered in the analysis.

For purposes of applying these tests, fuel substitution proponents must compare the technologies offered by their program with the most efficient same-fuel substitute technologies available to prospective participants that would have TRC and PAC benefit-cost ratio of 1.0 or greater. The burden of proof falls on the party sponsoring the analysis to show that the baseline comparison adheres to this requirement. Fuel substitution programs with a predominantly load building or load retention character are not eligible for funding, and the proponent of a fuel-substitution program carries the burden of proof to demonstrate that the program focuses on energy efficiency and creates net resource value.

### **V. Evaluation, Measurement and Verification (EM&V)**

1. The development of energy efficiency programs that deliver reliable energy savings for California's ratepayers depends on well-designed methods of program evaluation, measurement and verification (EM&V). Rigorous EM&V practices are required to gauge the performance of Program Administrators and Implementers, verify energy savings, improve the design and success of future energy efficiency programs and enhance the reliability of forecasted savings for resource planning purposes.

2. The performance basis for energy efficiency programs and related EM&V protocols for post-2005 energy efficiency programs will be developed in the EM&V phase of this rulemaking, consistent with these Rules.

### **VI. Competitive Bidding and Partnership Programs**

1. Competitive solicitations can help to identify innovative approaches or technologies for meeting savings goals with improved performance that might not

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otherwise be identified during the program planning process. However, not all program activities lend themselves to a competitive solicitation. It would be counterproductive to require open bids in instances where, for example, partnerships between IOUs and local governments (“partnership programs”) can take advantage of the unique strengths that both partners bring to the table, or a combination of partnerships and bilateral contracting arrangements can deliver effective statewide initiatives, such as a statewide public awareness campaign or an upstream lighting program.

2. Competition in energy efficiency procurement should focus on soliciting good, new program ideas to achieve or exceed the Commission’s savings goals, rather than allocating a specific percentage of program funding to particular implementers. Decisions on whether non-IOUs should be program implementers responsible for designing and delivering the program (rather than working to implement IOU-designed programs) should be made based on an evaluation of whether the program designs and delivery mechanisms proposed by non-IOUs are superior to those currently being implemented or planned for the future.

3. As directed in D.(number to be inserted when Administrative Structure decision is finalized), for each program planning cycle, the Program Administrators shall propose a portfolio of programs (with input from the Program Advisory Groups as described in that decision) that reflects the continuation of successful IOU and non-IOU implemented programs and new program initiatives designed to meet or exceed the Commission’s savings goals with cost-effective energy efficiency. As part of that process, the Program Administrators will identify a minimum of 20% of funding for the entire portfolio of programs that will be put out to competitive bid to third-parties for the purpose of soliciting innovative ideas and proposals for improved portfolio performance. The portions to put out to bid could encompass programs currently designed and delivered by a combination of IOU and non-IOU program implementers. Any current program or group of programs (IOU or non-IOU designed and implemented) that can be improved upon in this way may be subject to open bids to replace, augment or otherwise enhance current efforts. However, open bids should not be required in instances where current or potential future partnerships between IOUs and local governments can take advantage of the unique strengths that both partners bring to the table to deliver cost-effective energy efficiency services, or where combination of partnerships and bilateral contracting arrangements with private or public entities can deliver effective statewide initiatives that enhance portfolio performance. Such activities should be funded out of the 80% (maximum) core portfolio that is not put out to competitive bid. As directed in D. (number to be inserted when Administrative Structure decision is finalized), the proposed portfolio of

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programs, portions to put out to bid and the bid evaluation criteria will be filed by the Program Administrators in their program plan applications for each funding cycle, and subject to Commission approval.

4. Future partnership programs need to be developed in a manner than places the Program Administrator and local government partner on more equal footing, in terms of involvement in program design and planning, information sharing and program implementation. We recognize that some local government partners may prefer or be best suited to functioning as a subcontractor to the Program Administrator and performing a supporting role for the program. However, this should not be the only option available for partnership programs. Other partnership arrangements, e.g., where the local government partner is fully involved in program planning and implementation, may take better advantage of the relative strengths of each partner.

5. Standard contract language should improve the effectiveness of future partnership programs. The standard language should establish the rights and responsibilities of the partners with sufficient flexibility to enable each partner to make improvements to program performance, as circumstances warrant. The standard language should also address information sharing, intellectual property ownership, reimbursement turn-around, dispute resolution, and other issues. Energy Division and Legal Division should work with the Program Administrators, interested local governments and other parties to develop a standard contract for future partnership programs, and submit that language with the PY2006-PY2008 program plans.

## **VII. Process and Procedural Issues**

1. The Commission, the assigned Commissioner, the assigned Administrative Law Judge, or the Energy Division may utilize both formal and informal procedural vehicles as needed to (1) revise the Rules and /or any of its referenced documents, in whole or in part, at any time, upon request by interested parties or on its own initiative, (2) review on-going programs and adopt mid-course changes if warranted, (3) plan and develop future programs, and (4) resolve disputes among or complaints from various market participants, as circumstances warrant.

2. The Assigned Administrative Law Judge or Commission staff may hold workshops or other forums, as needed, for interested parties, customers and market actors to provide input and feedback on energy efficiency-related issues.

3. Any program proposal for energy efficiency funding must describe a dispute resolution process to be used in dealing with complaints from end-use gas or electric

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consumers participating or attempting to participate in the program. In programs where the Program Administrators hold contracts with third parties, those contracts will also be required to include dispute resolution provisions.

4. With input from the Program Advisory Groups, the Program Administrators should jointly submit for Commission consideration proposed fund-shifting rules with their PY2006-PY2008 program applications. When finalized by the Commission, such rules shall be incorporated into these documents.

**APPENDIX A: Reference Documents (to be developed)**

**APPENDIX B: Common Terms and Definitions (to be developed)**

**(END OF ATTACHMENT 1)**

**CERTIFICATE OF SERVICE**

I certify that I have this day served the attached Administrative Law Judge's Ruling Soliciting Pre-workshop Comments on Draft Policy Rules for Post-2005 Energy Efficiency Programs on all parties of record in this proceeding or their attorneys of record by electronic mail to those who provided electronic mail addresses, and by U.S. mail to those who did not provide email addresses.

Dated December 30, 2004, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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